



# Farm Service Agency

March 2008

# Southwest County News

#### **USDA Service Center** Serving Counties in

Finney, Grant, Hamilton, Haskell, Kearny, Lane, Meade, Morton, Scott, Seward, Stevens, Stanton

Contact your local office For office hours

#### **Dates to Remember:**

Small Grain Acreage Reporting deadline – June 2

Deadline to report all cropland uses (feed grains, oilseed, CRP, fallow) – August 1

Deadline to request a 2008 Reconstitution – August 1

Deadline to obtain a loan on small grains – March 31

Deadline to obtain a loan on corn, sorghum or oilseeds – May 31

DDAP-III application deadline May 5

## **WEBSITES**

FSA - www.fsa.usda.gov Kansas FSA www.fsa.usda.gov/ks USDA - www.usda.gov Obtain a Level 2 e-Authentication Account www.eauth.egov.usda.gov

#### **March Interest Rates**

Farm Operating Direct	3.875%
Farm Ownership (FO) Dir	rect 5%
Limited Resource Loans	5%
FO Down Payment Beginning Farmer or Ranc	4% her
Emergency Loans	3.75%
Farm Storage Facility Loans	3.125%
Commodity Loans	3.125%



#### **Acreage Reporting**

Acreage reporting is underway at the Farm Service Agency (FSA). You must remember that filing an accurate acreage report for all crops and land uses, including failed acreage and preventing planting acreage, can prevent the potential loss of benefits for a variety of programs. The deadline to submit a timely grains acreage report will be June 2. All other cropland uses would be reported no later than August 1.

Failed acreage must be reported before disposition of the crop. This is critical for farm acreage reporting and crop history purposes. Prevented planting must be reported early enough for the local FSA county office to make a determination that the crop was prevented from being planted.

For Noninsurance Crop Disaster Assistance Program (NAP) purposes, the report needs to be filed within 15 calendar days after the disaster event occurred. If the crop with NAP coverage is for grazing use, the acreage report should be filed two weeks prior to actually beginning livestock grazing or by May 1, whichever is earlier.

Telephone your local FSA office for an appointment to certify 2008 planted acreage.

#### **Deceased Producers**

Government Accountability Office (GOA) recently completed a review and program payment history information was compared to the Social Security Administration's Death Master File to determine whether questionable payments were issued to deceased individuals. The comparison revealed that a number of payments may have been issued to deceased individuals.

All deaths of participating producers must be reported to the FSA office. Failure to timely provide such information can result in the program contract being invalid and collection of overpayment to all participants of the contract.

# LCP/LIP

The Livestock Compensation Program (LCP) and Livestock Indemnity Program (LIP)signup began September 10, 2007. Eligible ranchers and other livestock producers can apply to receive LCP compensation for feed losses or LIP for livestock losses occurring between January 1, 2005 and December 31, 2007, due to natural disaster.

LIP provides monetary assistance to eligible livestock owners and livestock contract growers for livestock deaths. Drought is not an eligible disaster event under LIP. Eligible owners must have owned the livestock on the day they died as a direct result of the disaster event.

LCP provides benefits to livestock producers who suffered feed losses or insured additional feed costs directly resulting from a natural disaster. Eligible livestock must have been owned on the start date of the disaster designation and physically located in the disaster county. Livestock owners must have suffered an eligible feed loss from produced or purchased forage or feedstuffs or incurred additional feed costs as a result of the disaster event.

You should contact your local FSA, if, for example, your operation incurred livestock deaths as a result of the ice storm last year; or if you had to purchase additional supplemental feed in 2006 for your livestock operation as a result of the drought. You may be eligible for some disaster benefits through these emergency programs.

#### **Crop Disaster Program**

Assistance under CDP is available for NAP-covered or insured crop losses on prevented planted acreage, reduced production of planted acreage, reduced quality on certain crops, and value loss crops, including nursery and aquaculture. Eligible applicants may receive CDP benefits in addition to payments received under NAP or crop insurance indemnities.

Producers can apply to receive CDP compensation for losses occurring between January 1, 2005 and December 31, 2007, due to natural disaster. Producers who incurred qualifying losses in 2005, 2006 or 2007 must choose only one year to receive benefits. Producers may apply for benefits for losses to multiple crops as long as the losses occurred in the same crop year. Producers must have suffered quantity losses in excess of 35 percent to be eligible for CDP.

Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of the loss will be eligible for CDP benefits.

# **CREP Signup**

CREP is a dedicated Conservation Reserve Program focused on water conservation along the Upper Arkansas River corridor from Hamilton County to western Rice County. A maximum of 20,000 acres currently may be enrolled in the program in the 10-county area, with an initial cap of 5,000 acres per county.

Landowners who enroll in the program voluntarily agree to permanently retire their water right and put the land in a conservation-oriented.

## **CRP Management**

If you participate in the Conservation Reserve Program you are responsible for properly maintaining the CRP acres. CRP contracts include an extra \$4.00 or \$5.00 per acre in the annual contract payment to assist in covering the expense of applying chemicals, clipping, and utilizing other maintenance/control methods.

The nesting period for wildlife starts on April 15 ends on July 15. Throughout the nesting season weed control should be limited to spot treatments so the wildlife habitat is not adversely affected. More aggressive weed control measures can be utilized on CRP beginning July 16. You must be aware of weed or other maintenance problems on acreage enrolled in your CRP contract. If you have areas in your CRP where the density of the weed population has choked out the CRP grasses, or has just begun to adversely affect the CRP grass you should immediately contact your FSA for technical advice on the best treatment for your situation. Maintenance violations can lead to significant penalties or even termination of the CRP contract.

Noxious weeds (examples include: bindweed, Johnson grass, musk thistle, and sericea lespedeza) must not be allowed to go to seed on CRP. If you are having a problem with these weeds please visit with personnel at your Natural Resources Conservation Service office. They will be glad to assist you in developing methods to control noxious and other weeds.

A CRP contract prohibits: 1) mowing CRP around irrigated circles on corners in CRP; 2) mowing hunting lanes; 3) any mowing for cosmetic purposes; 4) annual mowing for CRP weed control; 5) mowing of CRP to park machinery/equipment. Always contact your local FSA office before mowing any CRP to ensure you will stay within the maintenance requirements for your contract.

A policy change that became effective last year prohibits **tree** infestations. Participants should ensure volunteer trees are not becoming a maintenance problem. If you are unsure whether tree and brush cover is a potential problem on your CRP please notify your county office.

Other requirements to be aware of: \*to control insects, rodents and other pests that pose a threat to existing cover or adversely impact other owners in the area; \*do not disturb CRP cover without prior approval from the FSA County Committee; \*roads, trails, parking or storing equipment, storing livestock feed, etc. are all prohibited on CRP; \*CRP may not be hayed or grazed or harvested for seed unless you have been approved for the management practices of haying or grazing.



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Remember – contact your local FSA office to schedule an appointment to certify your small grain crops. Deadline is June 2, 2008.

Contact your local FSA office or NRCS office for questions regarding CRP maintenance.



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#### **CRP Annual Practices**

County Offices will be mailing out AD 245, Practice Approval and Payment Applicant forms for established annual practice requirements for 2008. You should also refer to your Conservation Plan Schedule of Operations for required yearly practices. Practices could include items such as burning, guzzlers, food plots or tree planting. You should also look at your tree row to make sure you are maintaining an 80% survival rate.

Check with your local NRCS or FSA to be sure you are getting all required practices completed timely.

#### Wind Power Testing Towers on CRP

COC may authorize the installation of windmills, wind turbines, wind-monitoring towers, or other wind-powered generation equipment on CRP acreage on a case-by-case basis.

Permission is required to allow wind power testing towers to be put on CRP ground. Contact your local FSA office <u>before</u> the tower is erected. Failure to obtain approval could result in forfeiture of payments.

# Farm Loan Programs

As of January 1, 2008, FSA's Farm Loan Programs will be modernized in an effort to make it easier for producers to apply for loans. Some streamlining includes:

- Reducing the number of required forms by nearly 50%.
- Ensuring all forms are available on line.
- Modifying requirements to more closely conform to those used by lenders.
- Making guidance more manageable by replacing nearly 40 manuals with six handbooks.

# Loans available through FLP include:

Beginning Farmer Down Payment Ownership Program (10-40-50) which helps in financing the purchase of a farm up to \$250,000 of the purchase price or appraised value, whichever is less. The applicant will provide 10%, FSA will finance up to 40% and the remaining 50% of the purchase price can be financed on contract with the seller or through a conventional lender.

# Emergency Loans

Kansas Farm Service Agency announced today that FSA is making emergency loans available to help qualified producers recover from production and physical losses due to the severe winter storms occurring December 6-19, 2007. Presidential Disaster Designation M1741, Amendment 1, makes additional counties eligible.

Eligible counties are: Gove, Logan, Sheridan, Thomas, Wallace, Atchison, Barber, Barton, Brown, Butler, Chase, Cherokee, Clark, Clay, Cloud, Comanche, Crawford, Dickinson, Doniphan, Edwards, Ellis, Ellsworth, Ford, Geary, Graham, Harvey, Hodgeman, Jackson, Jefferson, Jewell, Kingman, Kiowa, Labette, Leavenworth, Lincoln, Lyon, McPherson, Marion, Marshall, Miami, Mitchell, Morris, Nemaha, Osage, Osborne, Ottawa, Pawnee, Phillips, Pottawatomie, Pratt, Reno, Republic, Rice, Riley, Rooks, Rush, Russell, Saline, Sedgwick, Shawnee, Smith, Stafford, Wabaunsee, Washington and Woodson.

Contiguous Counties are: Decatur, Graham, Greeley, Lane, Ness, Norton, Rawlins, Scott, Sherman, Trego, and Wichita, Allen, Anderson, Bourbon, Coffey, Cowley, Douglas, Elk, Finney, Franklin, Gray, Greenwood, Harper, Johnson, Linn, Meade, Montgomery, Neosho, Ness, Norton, Riley, Sheridan, Sumner, Trego, Wilson, and Wyandotte.

Eligible loan funds may be used to restore or replace essential property and pay production costs associated with the disaster year. Applicants can borrow up to 100 percent of actual production or physical losses not to exceed \$500,000. The current rate for these low interest loans is 3.75 percent.

Producers must meet eligibility requirements and not be able to obtain credit from a commercial lender. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability.

#### Operating Loans

Annual and term loans are available to producers for crop inputs, purchase of livestock or machinery and equipment.

#### Youth Loans

Students involved in 4-H, FFA or other organized youth group projects can obtain youth loans for financing of their project. Loans can be used to purchase livestock, feed, equipment and other project related expenses.

#### Beginning Farmers, Socially Disadvantaged

FSA has funding to assist beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. A beginning farmer is defined as a farmer who has not operated a farm for more than 10 years, will materially and substantially participate in the operation of the farm, agree to participate in a loan assessment, borrower training and financial management programs sponsored by FSA and does not own a farm in excess of 30 percent of the county-s average size.

Stevens County serves Stevens, Grant, Haskell, Morton, Seward and Stanton Counties. They can be contacted at 620-544-2261

Finney County serves Finney, Greeley, Hamilton, Kearny, Lane, Scott and Wichita Counties. They can be contacted at 620-275-0211.

